

Washington, D.C. -Congressman Harry Teague announced today a new program making federal student loan payment plans more affordable. This new Income Based Repayment (IBR) provides students and recent graduates the opportunity to adjust their monthly payments based on income. IBR allows borrowers to retain a portion of their paycheck to devote to core costs including housing, food and transportation. This new program will alleviate the stress of monthly payments that exceed borrowers' monthly income and let graduates to take jobs offering lower salaries without the fear of defaulting.

"In these hard financial times, it is essential that we give New Mexico's students and recent graduates every opportunity to take advantage of new programs," said Congressman Harry Teague. "Not only will this new income based plan help ease the burden of monthly payments, but also allow graduates to pursue employment opportunities they didn't think possible."

Borrowers' remaining loan balances, including interest, will be completely forgiven after 25 years of lower payments or after 10 years for borrowers in public service fields.

The chart below illustrates the IBR benefits.

IBR Monthly Payment Amount

Annual Income

Family Size

1

2

3

4

5

6

7

\$10,000

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$15,000

\$0

\$0

\$0

\$0

\$0

\$0

\$0

\$20,000

\$47

\$0

\$0

\$0

\$0

\$0

\$0

\$25,000

\$109

\$39

\$0

\$0

\$0

\$0

\$0

\$30,000

\$172

\$102

\$32

\$0

\$0

\$0

\$0

\$35,000

\$234

\$164

\$94

\$24

\$0

\$0

\$0

\$40,000

\$297

\$227

\$157

\$87

\$16

\$0

\$0

\$45,000

\$359

\$289

\$219

\$149

\$79

\$9

\$0

\$50,000

\$422

\$352

\$282

\$212

\$141

\$71

\$1

\$55,000

\$484

\$414

\$344

\$274

\$204

\$134

\$64

\$60,000

\$547

\$477

\$407

\$337

\$266

\$196

\$126

\$65,000

\$609

\$539

\$469

\$399

\$329

\$259

\$189

\$70,000

\$672

\$602

\$532

\$462

\$391

\$321

\$251

SOURCE: Department of Education: <http://studentaid.ed.gov/PORTALSWebApp/students/english/IBRPlan.jsp>